



STATE BOARD OF EQUALIZATION
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Fourth District, Los Angeles

STEVE WESTLY
State Controller, Sacramento

TIMOTHY W. BOYER
Interim Executive Director

STATE BOARD OF EQUALIZATION MEETING
450 N Street, Room 121, Sacramento

NOTICE AND AGENDA

WEDNESDAY, AUGUST 6, 2003

Agenda items occur sequentially. When circumstances warrant, the Chairwoman may modify the order of items as they appear on the agenda.

BOARD COMMITTEE MEETINGS* (convenes at 9:30 a.m.)

❖ **BUSINESS TAXES COMMITTEE**

Mr. John Chiang, Chairman

Mr. Ramon Hirsig, Staff (916) 445-1441

- Proposed revisions to Audit Manual Chapter 4, General Audit Procedures, regarding property held for resale, when the property is transferred from an inventory account to a capital asset account and depreciated (continued from 5/28/03)
- Proposed regulation regarding application of tax to rebates and incentives (proposed Regulation 1671.1, Discounts, Coupons, Rebates and Other Incentives)

BOARD MEETING (convenes upon adjournment of the Business Taxes Committee)**

❖ **SALES AND USE TAX APPEALS HEARINGS**

- ☐ Vantagemed Corp., 165745
- ☐ 10,000 RV Sales, Inc., 88391, 88392
- ☐ Robert Van Briggie, 184855

❖ **SPECIAL TAXES APPEALS HEARINGS**

- ☐ Technichem, Inc., 186397, 127702
- ☐ MV Transportation, Inc., 136040, 136141, 136097

❖ **TAX PROGRAM NONAPPEARANCE MATTERS - ADJUDICATORY**

A. Legal Appeals Matters

- Hearing Notice Sent—No Response
 1. Silverstream Software, Inc., 149753
- Cases Heard But Not Decided
 2. ~~Seiniger Advertising, Inc., 41251~~
 3. LSI Logic Corporation, 142330
 4. Cypress Semiconductor Corporation, 173287

B. Franchise and Income Tax Matters

- Decisions
 1. Gilbert Hansen, 186455
 2. Mark E. Stamos, 167885
 3. Ronald J. Stucker, 186955

- Matters for Board Consideration
 4. Conopco, Inc., 129732
Indopco, Inc., 129739
Sequoia-Turner Corporation, 129741

C. Homeowner and Renter Property Tax Assistance Matters

- Decisions
 1. Lawrence E. Ross, 194227
 2. Joel M. Weiner, 204146

❖ TAX PROGRAM NONAPPEARANCE MATTERS – CONSENT

D. Legal Appeals Matters

- Petitions for Rehearing
 1. David J. Pedroli, 151696
 2. Santa Ynez Band of Mission Indians, 37763
 3. Coast Corporation, 61746
Philip K. Hwang, 61747
- Hearing Notice Sent – Appearance Waived
 4. Fondas X. Taoussanis, 167413
- Hearing Request Withdrawn
 5. Dolores Padilla Reyes, 151012

E. Franchise and Income Tax Matters

- Decisions
 1. ~~Maryanne Avila, 192141~~
 2. Thomas M. and Ethel Ayako Bond, 195789
 3. Brenon Daly, 198872
 4. Lilia M. Delos Reyes, 207798
 5. Mary Fairwell, 202278
 6. Luisa Garmsen, 202282
 7. Larry Howard and Claudia L. Gassin, 203451
 8. Vaishali Ghiya, 202276
 9. Roger and Penny Gilbert, 202273
 10. Ray A. Griffin, 198674
 11. William R. Hunter, 182581
 12. JoAnn P. Innes, 195319
 13. Interactive Business Channel, Inc., 183471
 14. Hernan A. Jacobo, 172837
 15. Robert A., Jr., and Jolinda Johnston, 183396
 16. Rachael Kanterman, 195156
 17. William, Jr., and Nancy Eleanor Lys, 107086
 18. Ruthie J. and John R. Piper, 212358
 19. Michael Joseph Saliba, 106177
 20. Belva Jeane Strange, 174066
 21. Hoang N. Tran and Kim Vu, 188241
 22. William Turner, 198631
 23. Carrie L. Wilkinson, 186945
- Petitions for Rehearing
 24. Jerry J. Couchman, 173715
 25. Marcus and Gisella Del Frate, 174602
 26. Joseph A. Drongoski, 79191
 27. William Alan Sobel, A Law Corporation, 129920

F. Homeowner and Renter Property Tax Assistance Matters

➤ Decisions

1. Sonia Antselovich, 198460
2. Zoya Baglayeva, 198477
3. Merilyne Frisch, 201734
4. Rachel Geller, 198539
5. Johnny Gilbert, 203425
6. Abram Gonopolsky, 198499
7. Nathaniel Gutierrez, 208281
8. Furman Hardy, 203087
9. Nancy Howard, 197583
10. Lillie L. Jackson, 185774
11. Boris Krasnov, 198493
12. Raya Mikhlin, 198502
13. Michael E. Mitchell, 213096
14. Curtis Morissette, 212617
15. Varvara Nazaretyan, 202795
16. Charles Scott Riley, Jr., 192992
17. Donald A. Ritchie, 209869
18. Sofia Rogova, 198472
19. Alexandra Rudnitskaya, 198500
20. Auguste M. Scaife, 194904
21. Gretel Sessing, 203424
22. Ruby Slagle, 197581
23. Ester Spektor, 198463
24. Jose Luis Vela, 190758
25. Exzemina Williams, 197740

G. Sales and Use Taxes Matters

➤ Redeterminations

1. Mattel, Inc., 114424
2. Mediq/PRN Life Support Services, 144841
3. Eric John Bledsoe, 198985
4. James S. Harp, 185991
5. Graham-Field, Inc., 198158
6. Kazoo, Inc., 185791
7. Igloo Products Corporation, 203819
8. Reebok International Ltd., 168214
9. Retail Resources LP, 181653
10. Raytheon Company, 168913
11. Marshalls of MA, Inc., 145473

➤ Denials of Claims for Refund

12. Edward Jack Sandel, 206934
13. North Supply Company, 207819
14. Xerox Corporation, 144965

H. Sales and Use Taxes Matters – Credits, Cancellations and Refunds

➤ Credits and Cancellations

1. Appleway Equipment Leasing, Inc., 221189
2. Comdisco Healthcare Group, Inc., 222539
3. James Mitchell, 222053
4. Bankvest Capital Corporation, 220945
5. Thermo Andersen, Inc., 187837

➤ Refunds

6. Williamson-Dickie Mfg. Company, 221460
7. Apollo Ultrapure Water System, Inc., 194658
8. Pacific Capital Bank, N.A., 164177
9. Decore-active Specialties, 208339

10. Chevron U.S.A., Inc., 220172
11. Lucky Stores, Inc., 37066
12. Westamerica Graphics Corporation, 156032
13. Space Systems/Loral, Inc., 221261
14. C-P Manufacturing, Inc., 221391
15. The Chalone Wine Group, Ltd., 220696
16. The Picture People, Inc., 173031
17. Beringer Blass Wine Estates Company, 184494
18. Buck Stove West, Inc., 191812
19. Procter & Gamble Paper Products Company, 145340
20. Regents of the University of California, 92868
21. CCH, Incorporated, 129039
22. Sundor Brands, Inc., 145341
23. Salomon Smith Barney, Inc., 218453
24. Leasetec Corporation, 184050
25. Cooper Turbocompressor, Inc., 187588
26. Michaels Stores, Inc., 220321
27. Franklin Bank of California, 145290
28. Kellogg Company, 145374
29. Metropolitan Life Insurance Company, 196134
30. Delaware Ariba, Inc., 206147
31. Pacifica Mart LLC, 220322
32. Chrysler Financial Company LLC, 75827
33. APC Sales & Service Corporation, 161846
34. CVHS Hospital Corporation, 143956
35. Siemens Info & Commctn Mobile LLC, 87589
36. PSI Management Team, Inc., 220695
37. Airfiber, Inc., 207821
38. Plumtree Software, Inc., 144470
39. Conseco Finance Corporation, 194226
40. Sunkist Growers, Inc., 220831
41. The Procter & Gamble Distributing Company, 145343
42. Mervyn's, 206937
43. The Fifth Third Leasing Company, 152348
44. Kia Motors America, Inc., 221259
45. U.S. Natural Resources, Inc., 101440
46. Stoll America Knitting Machinery, Inc., 194657
47. Aramark Correctional Services, Inc., 205925
48. Tanimura & Antle, Inc., 63148
49. Ceramic Tile Pour La Maison, 220760
50. Progressive Casualty Insurance Company, 131259
51. Consumer Portfolio Services, Inc., 220503
52. First Merchants Acceptance Corporation, 220501

I. Special Taxes Matters

- Redeterminations
 1. California Department of Transportation, 209020

J. Special Taxes Matters — Credits, Cancellations and Refunds

- Credits and Cancellations
 1. Union Pacific Railroad Company, 222566
- Refunds
 2. Grocers Specialty Company, 222213
 3. Pacific National Insurance Company, 220989 – “CF”
 4. Great Northern Insured Annty. Corporation, 214558 – “CF”
 5. SCPIE Indemnity Company, 214545 – “CF”
 6. Freeman Catherine Alice, 220199 – “CF”

❖ **TAX PROGRAM NONAPPEARANCE MATTERS — NOT SUBJECT TO CONTRIBUTION DISCLOSURE STATUTE**

K. Property Tax Matters

- Unitary Escaped Assessments – “CF”
 1. 01 Communications, Inc. (7791)
 - HighSpeed Communications of CA, LLC (7778)
 - Enhanced Global Convergence Services, Inc., (7855)
 - Vectren Communication Services, Inc., (7920)
 - Tecnet, Inc., (7928)
 - Yipes Enterprise Services, Inc., (7972)

L. Local Tax Reallocation Matter

- Cases Heard But Not Decided
 1. City of Laguna Hills, 203006

❖ **CHIEF COUNSEL MATTERS**

M. Rulemaking

Property Tax

- [Request for adoption of revised language to regulation](#)
 1. Rule 462.240, The Following Transfers do not Constitute a Change in Ownership

Sales and Use Taxes

- [Request for adoption of revised language to regulation](#)
 2. Regulation 1802, Place of Sale and Use for Purposes of Bradley-Burns Uniform Local Sales and Use Taxes
- [Authorization to publish amendments to regulation](#)
 3. Regulation 1591, Medicines and Medical Devices

❖ **CLOSED SESSION**

- Discussion and approval of staff recommendations regarding settlement cases (R&T Code § 6901, 7093.5, 30459.1 and 50156.11)
- Pending Litigation: *Zarcon Corporation and NCI Successor, Inc. v. State Board of Equalization*, San Diego County Superior Court Case No. GIC 764277(Govt. Code § 11126(e))
- Discussion and action on Personnel Matters (Govt. Code § 11126(a))

❖ **ADMINISTRATIVE SESSION**

➤ **Consent Agenda**

- ❑ [Approval of Board Employee Retirement Resolution](#)
 - Sondra Merson
- ❑ [Approval of Board Meeting Minutes](#)
 - May 6, 2003
 - May 28, 2003
 - June 10-11, 2003
 - June 25, 2003
- ❑ [Approval of Section 6355 Coins and Bullion Bulk Sale Adjustment](#)
- ❑ [Adoption of 2003-04 Emergency Telephone Users Surcharge Rate](#)
- ❑ [Approval of extensions of time to complete and submit 2003-04 Local Assessment Rolls pursuant to Revenue and Taxation Code section 155 granted to Stanislaus County](#)

➤ **BOARD COMMITTEE REPORTS**

- ❑ Approval of the August 6, 2003 Board Committee Minutes
 - Business Taxes Committee

If you would like specific information regarding items on this Board Meeting Agenda Notice please telephone (916) 322-2270 or e-mail: MeetingInfo@boe.ca.gov. Please be advised that material containing confidential taxpayer information cannot be publicly disclosed.

Deborah Pellegrini, Chief
Board Proceedings Division

* Public comment on any committee agenda item will be accepted at the beginning of the committee meeting.

** Public comment on any agenda item, other than a Closed Session item or an item which has already been considered by a Board Committee, will be accepted at that meeting.

"CF" Constitutional Function - The Deputy State Controller may not participate in this matter under Government Code section 7.9.

Agenda items occur sequentially. When circumstances warrant, the Chairwoman may modify the order of items as they appear on the agenda. Any committee agenda item may be brought to the Board at its next meeting. The hearing location is accessible to the disabled. If you require special assistance, please contact Gary Evans at (916) 445-4394, or e-mail Gary.Evans@boe.ca.gov, to make special arrangements.